

INITIAL STATEMENT OF REASONS
TITLE 13
ARTICLES 4.0 OCCUPATIONAL LICENSES
AND
4.7 SCHOOL FOR TRAFFIC VIOLATORS

Sections 253.02 License Renewal Terms and 345.16. Renewal of Owner License

The Department of Motor Vehicles (the department) proposes to adopt Section 250.04 and amend a portion of Section 345.16 in Title 13, California Code Regulations, in order to authorize the department to provide a two-year term occupational license renewal process and related indicia of authority for the following licensees: All-Terrain Vehicle Safety Organization, Dealer, Dismantler, Distributor, Driving School Owner, Lessor-Retailer, Manufacturer, Registration Service, Re-manufacturer, Traffic Violator School Owner, and Transporter. The fee for a two-year term license and the related indicia of authority shall be established with these regulations.

Vehicle Code section 1665 provides the department authority to issue and renew, on a two-year basis, an occupational license and related indicia of authority. Section 1665 provides the department authority to establish a fee, not to exceed twice the annual fee set by statute, for the issuance or renewal of a two-year license or related indicia.

There are no significant costs or savings resulting from the adoption of the proposed regulations. The current licensing fees established by statute have remained largely unchanged for over a decade. A recent evaluation of the Occupational Licensing Program found that the current licensing fees are insufficient to cover the total cost of proper administration and oversight of the various licensing programs. The regulations will allow the department to implement a process to stagger license expiration dates to effectively address the workload demands of Occupational Licensing. Although the regulations would reduce the annual workload by adopting a more efficient renewal process, the department is convinced that the licensing fees would remain insufficient for the intended purpose.

§253.02. License Renewal Terms.

Section 250.04(a) provides that the department shall issue a two-year term occupational license pursuant to Vehicle Code section 1665 and specifies affected license types. This is necessary to provide consistency with Vehicle Code Section 1665 and identify the licensees that are subject to a two-year term occupational license. The criteria to determine when a licensee is initially eligible for a two-year term occupational license are introduced.

Subdivisions (a)(1), (a)(2) and (a)(3) of Section 253.02 establish the criteria for issuance of a two-year renewal license. A license issued prior to January 1, 2006, with a date-in-business in an even year, will be designated for the first two-year term renewal once the license expires in 2006. A license issued prior to January 1, 2006, with a date-in-business in an odd year, will be designated for the first two-year term renewal once the license expires in 2007. A license issued after January 1, 2006, will be designated for a two-year

term renewal upon the first expiration date of the new license. This is necessary for the department to adopt a licensing process to align the license expiration date with other biennial licensing requirements. The provisions provide for the adoption of a licensing process that staggers license expiration dates to effectively control the annual volume of applications received for processing, resulting in a more uniform workload and increased oversight of the licensing programs.

Subdivision (b) provides that any dealer required to provide evidence of successful completion of an educational program pursuant to Vehicle Code Section 11704.5 (c)(1), in conjunction with the first two-year term license renewal, is exempt from subdivisions (a)(1) through (3). This is necessary to allow the department to align the license expiration dates for those licensees required to comply with the biennial dealer education requirement in order to renew their license. The exemption expressly addresses the dealer education requirement imposed on used vehicle dealers providing an effective and practical method for determining issuance of a two-year term license.

Subdivision (c) specifies the fee for a license issued for a two-year term shall be twice the annual licensing fee established in statute for the specific type of license. This is necessary to provide consistency with Vehicle Code section 1665 and ensures fees continue to be commensurate with the fees established in statute that were intended to cover the cost for administration and oversight of the various occupational licensing programs.

Subdivision (d) specifies that any authorizing indicia issued in conjunction with a two-year term occupational license shall be issued for the same term as the license. This is necessary to provide consistency with Vehicle Code section 1665 and ensures that indicia are aligned with specific license terms. The provision also specifies the fee for the indicia shall be twice the annual fee established in statute for the specific indicia. This is necessary to provide consistency with Vehicle Code section 1665 and ensures the fees are commensurate with the fees established by statute to cover the costs associated with the issuance of indicia.

§345.16. Schools for Traffic Violators.

Existing Section 345.16(a) provides that a Traffic Violator School owner license shall expire one year from date of issuance. A renewal license shall expire one year from the current expiration date of the license unless the department follows specified procedures in subdivisions (a)(1) and (2).

The department proposes to amend Section 345.16(a) and repeal subdivisions 345.16(a)(1) through (3) in order to remove language that would conflict with language being proposed by the department. This is necessary to provide consistent requirements for various licensees, including Traffic Violator School Owners.